

JICA Research Institute presents
COP20 Side Event on

Climate Finance and the Role of Development Finance Institutions

6th December, 2014
Japan Pavilion

Setting the scene

Investment gap for the world under a business-as-usual scenario is far larger (\$5 trillion/y) than the incremental investments needed to accommodate climate change (\$0.7 trillion/y, 14%).

Climate change considerations must be mainstreamed into such investments!



Source: JICA

Sector	Business-as-usual scenario investment needs		2°C scenario investment needs		Incremental investment required		Sources
	Cumulative 2010-2030	Annual average	Cumulative 2010-2030	Annual average	Cumulative 2010-2030	Annual average	
Power generation	6,933	347	10,136	507	3,203	160	IEA
Power transmission and development	5,450	272	5,021	251	-429	-21	IEA
Energy total	12,383	619	15,157	758	2,774	139	
Buildings	7,162	358	13,076	654	5,914	296	IEA
Industry	5,100	255	5,800	290	700	35	IEA
Building & Industrial total	12,262	613	18,876	944	6,614	331	
Road	8,000	400	8,000?	400?	-	-	OECD
Rail	5,000	250	5,000?	250?	-	-	OECD
Airports	2,300	115	2,300?	115?	-	-	OECD
Ports	800	40	800?	40?	-	-	OECD
Transport vehicles	16,908	845	20,640	1,032	3,732	187	IEA
Transport total	33,008	1,650	36,740	1,837	3,732	187	
Water	26,400	1,320	26,400?	1,320?	-	-	OECD
Agriculture	2,500	125	2,500?	125?	-	-	FAO
Telecommunications	12,000	600	12,000?	600?	-	-	OECD
Forestry	1,280	64	2,080	104	800	40	UNEP
Other sectors	unknown	unknown	unknown	unknown	unknown	unknown	
Total investment	99,833	4,991	113,753	5,689	13,934	698	
	-\$100 tr	-\$5 tr	-\$114 tr	-\$5.7 tr	-\$14 tr	-\$0.7 tr	

Sources: OECD²¹, IEA²², FAO²⁴, UNEP²⁵. Data presented in US\$ 2010 rates.

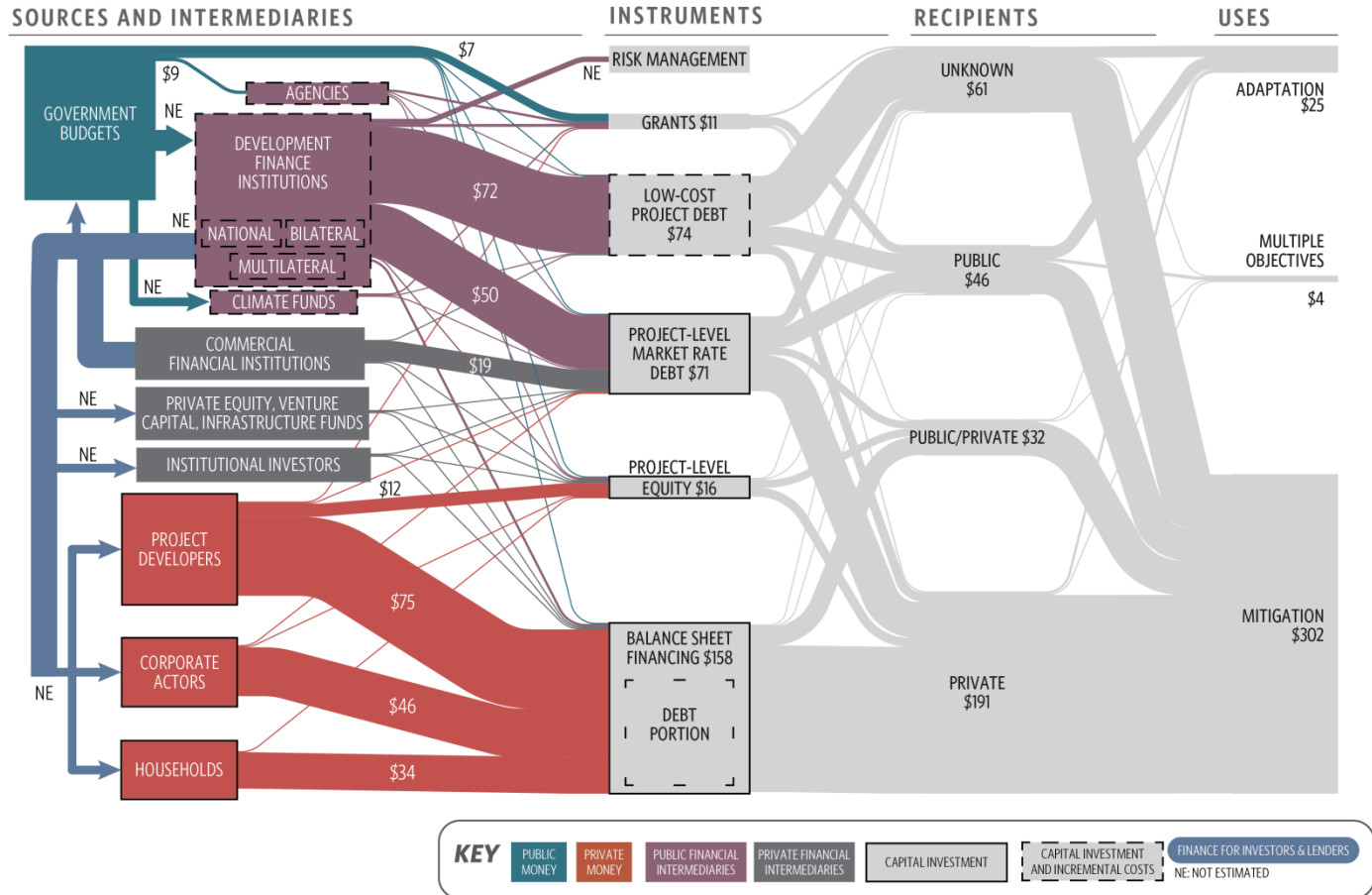
Note: Total investment does not include synergy effects that can occur between other investments besides energy, buildings and industry and transport. The total amount provided is a proxy of future investment. Investment in water and telecommunications infrastructure covers the OECD and emerging markets only. Investment in agriculture covers 93 developing countries only. See Appendix 1 for full details of assumptions, scope and calculations.

Source: WEF (2013)

Setting the scene

LANDSCAPE OF CLIMATE FINANCE 2014 USD 331 BN TOTAL

Landscape of Climate Finance 2014 illustrates climate finance flows along their life cycle for the latest year available, mostly 2013



Source: CPI (2014)

Climate finance, incl. international public funds, inadequate to deliver to the infrastructure needs of finance of low carbon development and climate risk management.

Questions for discussion

- What are the key lessons learned from development finance to realize co-benefits in climate and development?
- What elements are the most critical for effective use of climate finance?
- What are the challenges and opportunities for development financial institutions to apply their experiences to climate finance?
- What issues are to be studied further by development finance institutions and research institutions for better use of climate finance?